

cc: Daron  
Lynn

## PENNEY'S GEMSTONES LLC

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P.O. Box 312  
Beaver, UT 84713  
(435)438-5522

ep7@xmission.com

March 21, 2007

State of Utah  
Division of Oil Gas and Mining  
1594 West North Temple  
Suite 1210,  
P.O. Box 145801  
Salt Lake City, UT 84114-5801  
Attn: Daron Haddock

Reply: Certified Return Receipt # 7004 2510 0004 1824 8347

Subject: Reclamation Surety Lucin Variscite Mine S0030034

Dear Mr. Haddock,

In reply to your letter that was received in the first part of March. It is a good reminder that we need to change the Lucin Variscite. This mine is being worked under a permit # UTU -80421. Since the property is a split estate special stipulations apply. We have to buy and maintain this permit from the BLM for the surface use. The permit has been bonded with the BLM. This property could probably be exempt from the annual fees of DOGM because we have to pay 150.00 for this special surface use permit.

Sincerely,

David L. Penney



RECEIVED

MAR 23 2007

DIV. OF OIL, GAS & MINING